EXHIBIT E

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

****

ADVANCEME, INC.,
Plaintiff,
v.
RAPIDPAY, LLC, BUSINESS CAPITAL CORPORATION, FIRST FUNDS LLC, MERCHANT MONEY TREE, INC., REACH FINANCIAL, LLC and FAST TRANSACT, INC., d/b/a SIMPLE CASH,
Defendants.

CAUSE NO. 6:05-CV-424 (LED)

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ADVANCEME, INC.,
Plaintiff,
v.
AMERIMERCHANT, LLC,
Defendant.

CAUSE NO. 6:06-CV-082 (LED)

****

Wednesday, January 31, 2007
9:25 a.M.

VIDEOTAPE DEPOSITION OF LAURENT F. BOUCHARD

BEFORE: Maureen O'Connor Pollard, RPR, CLR was generally involved in the management of the merchant business as it relates to how merchants operated and how they interacted with Litle & Company.

Q. Are you familiar with the processing agreements Litle & Company entered into with merchants?

A. Yes.

MR. MATZ: Objection.

BY MR. GRAY:

Q. Why are you familiar, or how are you familiar?

A. I'm familiar with the processing agreement, or the member agreement as it was known, because I had a fair amount of involvement in the actual development of the agreement.

Q. Were you involved in drafting portions of that agreement?

A. Yes.

(Whereupon, Bouchard Exhibit 4 was marked for identification.)

BY MR. GRAY:

Q. I'm handing you what's been marked

Litle 4. Is that the member agreement you were just referring to?

A. Yes, it is.

Q. Or an example of the member agreement?

A. Yes, it is.

Q. Now, from 1992 to 1996 while you were at Litle & Company, were the member agreements essentially identical between merchants?

A. The body of the agreement was identical between merchants. The only difference would have been as it relates to Schedule A of pricing.

Q. Okay.

A. Negotiated pricing with each merchant, so the pricing would have been different, but the body of the agreement would have been the same.

Q. If you look at the last page of Exhibit 4, which is marked LI_00029.

A. Yes.

Q. There are four signature blocks, one for Museum Publications of America, one for Litle & Company, one for National Processing Company, and one for First National Bank of narrative.

A. A postage -- in the course of business for a catalog direct marketing merchant, one of the challenges of running a catalog business is that you mail catalogs today, you don't get the results or the benefit of the catalogs or the sales that the catalogs originate for 30 to 60 days. So there is a requirement to run the business that you have sufficient cash on hand to be able to mail the catalogs.

There is a -- postage financing was a means of Litle & Company assisting certain catalog merchants by funding the postage required to mail the catalog, with the benefit to the merchant that they would get the funding, they would not have to come up with the cash themselves, and Litle & Company would delay repayment of the advance for 30 to 60 days so that the merchant would realize sales transactions and revenue.

(Whereupon, Bouchard Exhibit 5 was marked for identification.)

BY MR. GRAY:

Q. I'm handing you Bouchard Exhibit 5,

which appear to be several promissory notes for postage advances.

A. Mm-hmm.

Q. To be specific, I believe it's six promissory notes.

Have you seen these promissory notes before?

A. Yes.

Q. And at the top of the first page of this exhibit, LI 4, it says "Schedule E-1, Promissory Note For Postage Advances."

Does that mean that this is a schedule to the member agreement?

A. Correct.

Q. In Bouchard 4?

A. Correct. This is the schedule to the member agreement.

Q. On this first page again, it's LI 4, at the bottom the member is "Exposures, Inc." signed by Allen Abbott on June 22, 1990, correct?

A. Yes.

Q. Are you familiar with Exposures, the merchant Exposures?

advance?

A. Yes.

(Whereupon, Bouchard Exhibit 7 was marked for identification.)

BY MR. GRAY:

Q. I'm handing you what's been marked Bouchard Exhibit 7, which appears to be a letter from Boston Publishing Company, Robert George, to Michael Duffy, vice-president of Litle & Company, dated February 17, 1994.

Have you seen this letter before?

A. Yes, back in 1994.

Q. Who is Michael Duffy?

A. Michael Duffy was the CFO/vice-president of Litle & Company in '94.

Q. Are you familiar with Boston Publishing Company?

A. Yes.

Q. Who is Boston Publishing Company?

A. They are a company that does publishing, they provide -- I think they have -- I think they operate under more than one name in the marketplace, and they were a merchant of Litle & Co's at the time.

calculation we did, which would have been based on fixed amount or a percentage, send this amount to this third party creditor.

And the last set of instructions again through our accounting would have been whatever is left send to wherever the merchant directs us, which would typically have been the merchant's bank account.

Q. Would all of those payments have been made electronically?

A. Yes.

Q. And if you look at page LI 31 in Exhibit 7. At the top, the first paragraph, about the third line down it says "without further action by Boston Publishing, you will make all payments of net proceeds or any other credits, reserves, deposits," etcetera.

Does that "you" refer to the Litle processing entity?

A. Yes.

Q. So the "you" would have been instructions from Litle & Company to First National Bank of Louisville to forward those payments, correct?

A. I want to say yes, but I want to make sure that we set the record straight, because without causing too much confusion, in 1994 when this occurred, First National Bank of Louisville and NPC were no longer involved in the Litle & Company relationship. At that point in time, prior to this point in time, Litle & Company changed its sponsoring institution to First USA, Dallas, Texas. Same exact, you replace NPC and FNBL with First USA, the relationship is the same, everything is the same, it's just that because of business reasons, we at Litle & Company opted to change our member sponsor.

And that's why you see in this letter to Duffy that the co-signer, or the required signature on this letter is First USA Merchant Services. And First USA merchant services equals NPC, it was the credit card processing division of First USA Bank.

So I mean the answer is yes, but it's not First National Bank of Louisville anymore, it's First USA Bank.

Q. Right.

But the processing relationship --

A. Everything is the same.

Q. -- among those entities would have been the same?

A. It's identical, identical.

Q. Are you aware of other agreements like that described in Exhibit 7, these third party creditor arrangements, for lack of a better term, that occurred?

A. I was aware, I am aware that from time to time First USA -- I don't want to say Paymentech, I'll say Litle & Company, which became Paymentech after Paymentech acquired us, was contacted by merchants from time to time that the merchant was going to enter into a financing relationship with a third party. That third party may have been any type of financial institution, could have been Bank of America, could have been, you know, a third party creditor other than a bank. And that part of the arrangement that the merchant was orchestrating with that third party creditor was that the merchant would direct us, and it's important to understand that under MasterCard and Visa rules we are obligated to create

ATTACH TO THE DEPOSITION OF LAURENT F. BOUCHARD

CASE: AdvanceMe, Inc., v Rapidpay LLC, Et Al

DATE TAKEN: January 31, 2007

ERRATA SHEET

Please refer to page 197 for Errata Sheet instructions and distribution instructions.

PAGE	LINE	CHANGE	REASON

I have read the foregoing transcript of my deposition and except for any corrections or changes noted above, I hereby subscribe to the transcript as an accurate record of the statements made by me.

Executed this 23 day of February, 2007

____
LAURENT F. BOUCHARD

COMMONWEALTH OF MASSACHUSETTS)
SUFFOLK, SS.)

I, MAUREEN O'CONNOR POLLARD, RPR, CLR, and Notary Public in and for the Commonwealth of Massachusetts, certify that there came before me on the 31st day of January, 2007 the person hereinbefore named, who was duly sworn to testify to the truth of their knowledge concerning the matters in this cause, and their examination reduced to typewriting under my direction and is a true record of the testimony.

I further certify that I am neither attorney for or related or employed by any of the parties to the action, and that I am not a relative or employee of any attorney or counsel employed by the parties hereto or financially interested in the action.

In witness whereof, I have hereunto set my hand and seal this 5th day of February, 2007.

Maureen O'Connor Pollard

REGISTERED PROFESSIONAL REPORTER